

**Affordable Housing Task Force
Meeting March 28, 2007
Rockville Public Library
21 Mayland Avenue, Rockville, MD 20850
Minutes**

The meeting commenced at 9:00 am

The following thirty task force members were in attendance or represented:

Barbara Goldberg Goldman, co-chair	Sharan London
Richard Y. Nelson, Jr., co-chair	Stephen J. Lynch
Nathaniel (Tad) Baldwin	John McIlwain
Vivian Bass	Linda McMillan (for Marilyn J. Praisner)
Ralph Bennett	Raquel Montenegro
Thomas S. Bozzuto	Lawrence Rosenblum
James A. Brown	Howard J. Ross
Nguyen Minh Chau (Chau)	Dale Saunders
Richard Cohen	Barbara Sears
Cheryl Cort	Caroline Varney-Alvarado (for Raymond Skinner)
Norman M. Dreyfuss	James A. Soltez
David Flanagan	Thomas Street
Royce Hanson	Brian Tracey
Shawn Pharr (for Lesa Hoover)	Marilyn Turner
Omar Karim	
Ellen Lazar	

County staff and members of the general public were also in attendance.

Mr. Richard Y. Nelson, Jr., Co-chair of the Affordable Housing Task Force and Director of the Montgomery County Department of Housing and Community Affairs welcomed the task force and introduced the County Executive, Mr. Isiah Leggett.

Mr. Leggett addressed the group. He thanked them for taking on the challenge and charged them with providing specific recommendations to him.

Mr. Nelson introduced Ms. Barbara Goldberg Goldman, Co-chair of the Affordable Housing Task Force, and Founder of the Affordable Housing Conference of Montgomery County.

Ms. Goldberg Goldman congratulated the group for accepting the appointment and stated that the County Executive is very proactive and committed to this issue.

Ms. Goldberg Goldman requested that the group go around the room so that everyone present could introduce her or himself.

Mr. Nelson described how the task force will function. They will break out into smaller groups which will become evident as indicated by the impediments identified in the pre-meeting survey. Each group will meet and report back to the larger body.

Mr. Nelson engaged the group in a brief discussion on terminology including affordable housing, workforce housing and middle income. Mr. Nelson and Ms. Goldberg Goldman fielded questions from the members and others in attendance.

During the discussion members pointed to specific data which indicates that many people in the County are paying more than they can afford for housing.

A member of the audience, Mr. Cole described the situation of a family of 4 who have a combined income of roughly \$100,000 per year but cannot afford apartment rent.

Mr. Dreyfuss stated that it would be helpful to have housing available for populations below the median income.

Ms. London commented that twenty seven (27%) percent of the homeless in shelters are working people but they cannot afford a home.

Discussion ensued over the need for workforce housing and also for housing for those with incomes below the definition for workforce.

Definitions of terms for discussion purposes:

Average Median Income (AMI) for family of 4	\$94,500
Workforce Housing	71-120% of AMI
Low Income Housing	80% of AMI
Very Low Income	50% of AMI
Extremely Low Income	30% of AMI

Mr. Bennett stated that the data clearly shows that people are expending a lot more than 30 percent of their income on housing.

Mr. Nelson stated that a challenge exists with supporting workforce housing without expending tax dollars.

Ms. Goldberg Goldman posed the question of how pricing of workforce housing could be maintained. She also, challenged the group to consider the role of government, private and nonprofit sectors in developing affordable housing. She emphasized the need for the group to come away from this experience with tools that will enable them to work together and provide affordable housing.

Ms. Nguyen Minh Chau suggested that the issue of living wages be addressed as a part of the solution. She stated that many are in homes but they are cash poor and often cannot afford to pay taxes. She also recommended assistance for seniors who are aging in place.

Mr. Tracey said that raising income alone would not be enough to enable some in the workforce to afford a home.

Mr. Dreyfuss stated that the key is to have sufficient production of affordable housing.

Ms. Montenegro raised the question of how to determine the number of units needed.

Mr. Flanagan expressed concern that the County's past commitment to developing 1000 new affordable units, was never achieved. (It was subsequently determined that HOME and Housing Initiative Funds, HIF, have produced 4314 affordable units in four-year period 2003-2006.)

Mr. Nelson stated that identifying a reasonable number of units that could be developed could be one tool developed by the group but it should not be the only tool.

Ms. Goldberg Goldman stated that coming up with one number as a target is okay but suggested breaking it into categories to address the need for different types of affordable housing.

PRESENTATION by Sharon Suarez, M-NCPPC on demographics and housing trends.
Highlights of presentation:

- Within next 25 years growth will be along the I-270 corridor
- Within 25 years 94,000 new houses will be developed
- Within 25 years population will grow by 213,000
- Average bedroom community has .6 jobs per house
- Montgomery County is a job center with 1.6 jobs per house
- Fastest growing sector of population, now called young seniors, age 65-74
- Montgomery County is considered a gateway into Maryland
- Two out of five incomes in Montgomery County are over \$100,000/year
- 41 % earn less than the MPDU workforce limit
- Housing sales are easing
- Mortgage rates are still lower than 2003
- Median household income does not match median price in terms of affordability
- Older people are staying in place; many of these older homes make up the stock of affordable housing, they are becoming less available.

Ms. Suarez responded to questions from the group. Questions included information on seniors staying in place vs. moving which would allow their older homes to become available for affordable housing.

Ms. Suarez was asked to provide data and information on:

- rental workforce housing
- loss of affordable units
- reasons for losses
- information on demand for stable affordable homes vs. “dreamhouses”

Mr. Nelson and Ms. Goldberg Goldman led discussion on impediments to affordable housing and development of committees.

Mr. Nelson suggested that the group look at the impediments as a road map not as an exhaustive list.

Mr. Baldwin stated that although zoning and regulatory are now impediments that they could be turned into incentives.

Mr. Baldwin stated that the decisions begin at the Master Plan not at the application, and that there needs to be someone to be in place to overcome obstacles that increase costs.

Mr. Cohen stated that incentives need to be in place when the sector plans are developed.

Ms. Montenegro stated that a fiscal impact study should become a mandatory part of the process of introducing new legislation or regulation. She noted the increased costs associated with retrofitting sprinkler systems, green buildings and new changes to outdoor lighting.

Discussion on density ensued. Pros and cons of density were pointed out. Although density increases can reduce costs, due to cost of materials it can also lead to an increase in costs.

Mr. Cohen stated that Park and Planning should work with developers on a case by case basis. Sometimes the reduction of green space, relaxation of parking requirements and other site specific issues could achieve increase in density and make projects more affordable,

Ms. Cort pointed out that choice of locations that include commercial corridors that are walkable and have transportation choices such as Metro should be included in the discussion. She noted Rockville Pike as an area to consider.

Ms. Goldberg Goldman mentioned that Park and Planning has looked into this and they report that in these are units are being built larger and more costly.

Ms. Cort stated that incentives based per unit vs. square footage would be more useful.

Impediments included:

- Zoning
- Regulatory and Legislation
- Financing
- Costs (Land, Construction, miscellaneous)
- Financing
- Community Support
- Finding Incentives for Developers

Based on the impediments, five committees were identified:

- Case Study
- Finance
- Zoning/Regulatory
- Incentives
- Community Support

Members and designated County staff volunteered to serve on committees. Co-Chairs advised the group that they would be reassigned if needed, and they would be contacted regarding committee assignments. (See attached list.)

Meeting adjourned at 12:00 pm

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